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M'FARLANE TO SAY REAGAN ORDERED HELP FOR CONTRAS

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WASHINGTON, May 9 — Robert C. McFarlane, the former national security adviser, intends to tell Congress on Monday that President Reagan ordered the national security staff to arrange support for the Nicaraguan rebels after Congress restricted aid in 1984, according to officials and associates of Mr. McFarlane.

But they said that Mr. McFarlane would assert that the President did not specify how that was to be done. And he will say that neither he nor President Reagan directed the National Security Council to break the law. Mr. McFarlane is scheduled to be the next witness before the special committees investigating the Iran-contra affair.

It was unclear how the President intended to have his Administration maintain support for the contras while still remaining within the law. But the White House did get a legal opinion from the President's Intelligence Oversight Board that the legal prohibitions did not apply to the National Security Council.

Insight on Reagan's Role

One of the key mysteries that has puzzled investigators since the Iran and contra arms deals blossomed into a major scandal last November has been whether Lieut. Col. Oliver L. North, a former national security aide, and other officials set up the elaborate secret program to aid the contras on their own initiative or on orders from the President.

Mr. McFarlane's testimony is expected to lend support to the growing belief among investigators that the President was far more aware of the contra support program than he has admitted.

Although Mr. McFarlane has spoken in public more often than any of the other leading characters in the Iran-contra affair, he has mostly talked about the American arms sales to Iran, not the covert program to aid the rebels. Congressional investigators say he will face tough questions this week about his own role in the contra program.

President Reagan has maintained

that Colonel North was operating beyond his authority. In a broadcast address last March, for example, Mr. Reagan said he was "angry" about "activities undertaken without my knowledge," including "secret bank accounts and diverted funds."

Mr. McFarlane is not expected to say that Mr. Reagan specifically directed Colonel North and others to set up the secret bank accounts, dummy corporations and the elaborate air supply operation that were used to aid the contras.

But the former national security adviser is expected to testify that the President repeatedly said in 1984 and 1985 that the Administration was not to abandon the contras after Congress cut off aid.

The President instead asked his staff to help the contras improve their image so that Congress might one day renew direct American aid. In 1985, the contras' public image was poor: They were accused of widespread human-rights abuses against civilians and were viewed as an ineffective fighting force with little political support in Nicaragua.

Until those image problems could be corrected and overt aid renewed, Mr. McFarlane is expected to say, the President explicitly directed him to be sure the contra forces did not atrophy and die.

That job fell to the National Security Council because the Congressional restrictions did not allow the Central Intelligence Agency or the State Department to run the program, Mr. McFarlane is expected to say.

Support From Casey

In testimony at the hearings last week, Richard V. Secord, a retired Air Force major general who directed the Iran arms sales and covert support for the contras, said William J. Casey, then the Director of Central Intelligence, nonetheless gave valuable assistance to the contra support program.

Mr. McFarlane resigned as head of the National Security Council in December 1985. The first word that Colonel North was secretly operating the contra program from the White House became public in news accounts in August 1985. When several Congressional committees investigated the matter, Mr. McFarlane denied the assertion.

Congressional investigators have questioned him about that several times in recent weeks. Several members of Congress have said Mr. McFarlane deliberately misled them in 1985.

In response to questions from Congress in October 1985, he told the House Intelligence Committee that "there is no official or unofficial relationship with any member of the N.S.C. staff regarding fund-raising for the Nicaraguan democratic opposition."

That statement was later shown to be false. On Monday, Mr. McFarlane is expected to apologize for that.

The Tower Commission report, the most comprehensive account of the Iran-contra affair made public so far, made it clear that Mr. McFarlane was well aware that Colonel North was heavily involved in aiding the contras, although the report was ambiguous about whether Mr. McFarlane helped in some of the activities.

But in one White House memo that was published in the report, Mr. McFarlane refused in 1984 to give Colonel North permission to solicit donations for a helicopter for the contras because, he wrote, "I don't think this is legal."

Colonel North is known to have regularly informed Mr. McFarlane and his successor as national security adviser, Rear Adm. John M. Poindexter, of almost everything he was doing. In addition, Mr. McFarlane has said he felt a close personal attachment to Colonel North.

Colonel North and Admiral Poindexter will also testify at the hearings.

'Memoranda' From North

The Tower Commission report noted that in 1985, when it was illegal for Government officials to provide direct military aid to the contras, Colonel North told Mr. McFarlane of efforts that were under way to raise money from private sources.

"The exact purpose to which these funds were to be put was unambiguous," the report said. "A number of memoranda from Colonel North make clear that the funds were for munitions and lethal aid."

In March 1986, after Mr. McFarlane had left the White House and joined the staff of Georgetown University's Center for Strategic and International Studies, he mused in a memo published in the commission report that Colonel North might leave the White House and join him at the center.

There, he wrote, they might "continue to work the Iran account as well as to build other clandestine capabilities so much in demand here and there."